

UW-050937 (AT)  
6-29-05



**H & R WATERWORKS, INC.**

Mail: PO Box 1 East Olympia, WA 98540  
Offices: 3242 Capitol Blvd, Suite B Tumwater, WA 98501  
Phone: 360-357-3277 Fax: 360-357-3758

May 31, 2005

Ms. Carol Washburn, Secretary  
Washington Utilities and Transportation Commission  
1300 Evergreen Park Dr SW  
Olympia WA 98504

RE: Transfer Application for certain systems from  
Trident Utilities to H&R Waterworks, Inc.  
Filing for Adoption of Existing Trident Utilities LLC  
Rates by H&R Waterworks, Inc.

Dear Ms. Washburn:

We have enclosed a Transfer Application filing to transfer certain systems from Trident Utilities, LLC to H&R Waterworks, Inc. and a filing for the adoption of existing Trident Utilities tariff by H & R Waterworks Inc. We have included our revised tariff pages adopting the existing Trident tariff rates, the customer notice, appropriate financial information, and the transfer instruments.

H&R Waterworks, Inc. is making this filing with the assistance and cooperation of the state Department of Health to help insure that current system operating, water system planning and water quality deficiencies can be corrected by a more financially stable purveyor.

Please call me if there are any questions about this filing.

H & R Waterworks, Inc.

Stephen L. Harrington  
President & General Manager

NOT SIGNED  
LIST OF IMPROVEMENTS  
- COST  
- SOURCE OF FUNDS



## H & R WATERWORKS, INC.

OFFICES: 3242 CAPITOL BLVD. SE SUITE B TUMWATER, WA 98501

MAIL: PO BOX 542 EAST OLYMPIA WA 98540

(360) 357-3277 (360) 357-3758 FAX

### **IMPORTANT NOTICE**

May 31, 2005

#### **Tariff Filing**

The company has filed for approval from the Washington Utilities and Transportation Commission (WUTC) to adopt the existing tariff and to transfer certain water systems and assets of Trident Utilities LLC to H&R Waterworks, Inc. If approved, the transfer and the adoption of the existing Trident tariff rates will become effective on July 1, 2005.

#### **The Reason for this Tariff Filing**

The reason for this filing is to allow H&R to acquire and operate the following water systems in Thurston and Mason counties, to provide for an orderly transfer by utilizing existing tariff rates, to set a fair and reasonable rate base for existing assets and to allow it to initiate correction of existing deficiencies. The current owner, Trident Utilities LLC, is under a Department of Health compliance order for failure to make repairs, failing to conduct water quality testing and operating without a certified operator. Significant financial penalties have been assessed against Trident Utilities for failure to perform mandated duties, activities and water quality testing. H&R has sufficient financial capacity and the capability to undertake a process to complete all necessary improvements to bring the systems into compliance.

| <b><u>Water System</u></b> | <b><u>County</u></b> | <b><u>Public Water System Id #</u></b> |
|----------------------------|----------------------|--|
| Meadowood                  | Thurston             | 63131T                                 |
| Guava A                    | Thurston             | 029980                                 |
| Guava B                    | Thurston             | 029998                                 |
| Sterling Estates West      | Thurston             | AA062K                                 |
| Sterling Estates East      | Thurston             | AA061K                                 |
| Deschutes Village          | Thurston             | 19035Y                                 |
| Thunberg (Whitney)         | Thurston             | 05614                                  |
| Empire                     | Thurston             | 00926R                                 |
| Prairiewood                | Mason                | 008022                                 |

#### **If You Have Questions or Comments**

If you have questions about the proposed filing and how it will affect you, please call us at 357-3277. If you have questions about the transfer or rate making process, you may contact the Washington Utilities and Transportation Commission at the following address: WUTC, 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250; 1-800-562-6150 (toll free) or by e-mail: [comments@wutc.wa.gov](mailto:comments@wutc.wa.gov).

If you would like to comment on this proposal, it is important for you to do so now. Comments must be submitted in writing or presented at the commission's open meeting to be considered part of the formal record. The commission encourages your written comments, either supporting or opposing, regarding this proposal. All open meetings are held in Olympia, Washington. If you would like to be added to the commission's mailing list to be notified of the open meeting date, please call the toll-free number listed above and leave your name and complete mailing address.

H & R Waterworks, Inc.

Stephen L. Harrington, WDM 3, MBA CCS

Adoption Notice

ADOPTION OF TARIFFS, ETC.

H & R WATERWORKS, INC.

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Hereby adopts, ratifies, and makes its own in every respect, as if the same had been originally filed by it, all tariffs, rules, notices, concurrences, provisions, authorities, powers of attorney or whatsoever other instruments filed with the Washington Utilities and Transportation Commission or its predecessors by Trident Utilities, LLC, prior to June 16, 2000, the beginning of its possession. By this notice, it also adopts and ratifies all supplements or amendments to any of the above tariffs, etc., which have heretofore been filed with the Washington Utilities and Transportation Commission or its predecessors.

This adoption notice relates only to the following water systems:

| <b><i>Water System</i></b> | <b><i>County</i></b> | <b><i>Public Water System Id #</i></b> |
|----------------------------|----------------------|--|
| Meadowood                  | Thurston             | 63131T                                 |
| Guava A                    | Thurston             | 029980                                 |
| Guava B                    | Thurston             | 029998                                 |
| Sterling Estates West      | Thurston             | AA062K                                 |
| Sterling Estates East      | Thurston             | AA061K                                 |
| Deschutes Village          | Thurston             | 19035Y                                 |
| Thunberg (Whitney)         | Thurston             | 05614                                  |
| Empire                     | Thurston             | 00926R                                 |
| Prairiewood                | Mason                | 008022                                 |

Tariff Revision Adopted:

Transfer Authorized

WN U -

By Order No. \_\_\_\_\_

Tariff Pages Adopted Sheets 1 through 40

Issued May 31, 2005 Effective July 1, 2005

Issued by H&R Waterworks, Inc.

By Stephen L. Harrington Title President

Address 3242 Capitol Blvd, Ste B, Tumwater, WA 98501

**THE WATER COS.**  
Balance Sheets  
As of December 31, 2004

CONFIDENTIAL  
NOT FOR PUBLIC RELEASE

|  | (LLC)<br><b>UMS</b> | (S)<br><b>H&amp;R</b> | (LLC)<br><b>Meadows</b> | (S)<br><b>Quail Run</b> | (LLC)<br><b>Tail Timber</b> | C<br><b>Imberline</b> | (LLC)<br><b>Wacowa</b> | (LLC)<br><b>Transitions</b> | <b>Totals</b>      | <b>Eliminations</b> | <b>Adjusted Totals</b> |
|--|---------------------|-----------------------|-------------------------|-------------------------|-----------------------------|-----------------------|------------------------|-----------------------------|--------------------|---------------------|------------------------|
|  |                     |                       |                         |                         |                             |                       |                        | <b>Dr</b>                   | <b>Cr</b>          |                     |                        |
| Cash                                       | (\$5,328)           | \$6,458               | \$5,289                 | \$1,687                 | \$3,482                     | \$1,252               | \$9,267                | \$3,112                     | \$25,218           |                     | \$25,218               |
| Money Market - Surcharge                   |                     |                       | 24,912                  |                         |                             |                       |                        |                             | 24,912             |                     | 24,912                 |
| Accounts Receivable - Trade                | 24,579              | 4,612                 | 25,287                  | 558                     | 7,994                       | 909                   | 3,777                  | 893                         | 68,607             |                     | 68,607                 |
| Intercompany Receivable                    | 230,550             |                       | 10,000                  |                         |                             |                       | 10,000                 |                             | 250,550            | 250,550             | 0                      |
| Notes Receivable - Partners                |                     |                       | 3,000                   | 1,294                   |                             | 400                   |                        |                             | 4,694              |                     | 4,694                  |
| Prepaid Expenses                           | (1,866)             | 1,560                 | 3,084                   | 756                     | 2,760                       | 840                   | 708                    |                             | 7,842              |                     | 7,842                  |
| Other Receivables                          | 13,717              |                       | 236                     |                         |                             |                       |                        |                             | 13,953             |                     | 13,953                 |
| <b>Total Current Assets</b>                | <b>261,652</b>      | <b>12,630</b>         | <b>71,807</b>           | <b>4,295</b>            | <b>14,237</b>               | <b>3,401</b>          | <b>23,751</b>          | <b>4,005</b>                | <b>395,776</b>     |                     | <b>145,226</b>         |
| Plant and Equipment                        | 409,489             | 495,675               | 1,106,203               | 409,207                 | 1,171,823                   | 167,475               | 332,915                | 9,612                       | 4,102,398          |                     | 4,102,398              |
| Accumulated Depr/Amort                     | (189,016)           | (227,250)             | (314,471)               | (155,539)               | (342,400)                   | (65,175)              | (28,679)               | (71)                        | (1,322,601)        |                     | (1,322,601)            |
| <b>Total Plant and Equipment</b>           | <b>220,473</b>      | <b>268,425</b>        | <b>791,732</b>          | <b>253,668</b>          | <b>829,423</b>              | <b>102,300</b>        | <b>304,236</b>         | <b>9,541</b>                | <b>2,779,796</b>   |                     | <b>2,779,796</b>       |
| Acquisition Adjustments                    |                     | (2,840)               | (343,750)               | (109,709)               | (55,129)                    |                       |                        |                             | (511,428)          |                     | (511,428)              |
| Accumulated Depr/Amort                     |                     | 853                   | 100,463                 | 42,468                  | 16,538                      |                       |                        |                             | 160,322            |                     | 160,322                |
| <b>Total Acquisition Adj</b>               | <b>0</b>            | <b>(1,988)</b>        | <b>(243,287)</b>        | <b>(67,241)</b>         | <b>(38,591)</b>             | <b>0</b>              | <b>0</b>               | <b>0</b>                    | <b>(351,107)</b>   |                     | <b>(351,107)</b>       |
| <b>Other Assets</b>                        |                     |                       |                         |                         |                             |                       |                        |                             | <b>0</b>           |                     | <b>0</b>               |
| <b>Total Assets</b>                        | <b>\$482,125</b>    | <b>\$279,067</b>      | <b>\$620,251</b>        | <b>\$190,722</b>        | <b>\$805,069</b>            | <b>\$105,700</b>      | <b>\$327,987</b>       | <b>\$13,545</b>             | <b>\$2,824,466</b> |                     | <b>\$2,573,916</b>     |
| Note Payable - Line of Credit              |                     |                       | \$30,000                |                         |                             |                       |                        |                             | \$30,000           |                     | \$30,000               |
| Outstanding Checks                         |                     |                       |                         |                         |                             |                       |                        |                             | 0                  |                     | 0                      |
| Accounts Payable - Trade                   | 75,697              | 4,378                 | 4,000                   | 3,139                   | 7,163                       | 1,205                 | 7,448                  | 833                         | 103,863            |                     | 103,863                |
| Intercompany Payable                       | 20,000              | 16,088                | 1,902                   | 2,925                   | 110,726                     | 74,471                | 10,497                 | 13,942                      | 250,550            | 250,550             | 0                      |
| UMS Payable                                |                     |                       |                         |                         |                             |                       |                        |                             | 0                  |                     | 0                      |
| Accrued Expenses                           | 201                 |                       |                         |                         |                             | 1,886                 |                        |                             | 2,087              |                     | 2,087                  |
| Deferred Compensation                      |                     |                       | 1,668                   |                         |                             |                       |                        |                             | 1,668              |                     | 1,668                  |
| Other Payables                             |                     | 580                   | 26,206                  |                         |                             | 6,500                 |                        |                             | 33,286             |                     | 33,286                 |
| Current portion long term debt             |                     |                       |                         |                         |                             |                       |                        |                             | 0                  |                     | 0                      |
| <b>Total Current Liabilities</b>           | <b>95,897</b>       | <b>21,046</b>         | <b>63,776</b>           | <b>6,064</b>            | <b>117,889</b>              | <b>84,062</b>         | <b>17,945</b>          | <b>14,774</b>               | <b>421,454</b>     |                     | <b>170,904</b>         |
| Long-term Debt                             | 144,916             | 14,536                | 826,550                 | 5,832                   | 453,636                     | 35,669                | 204,952                |                             | 1,686,091          |                     | 1,686,091              |
| Contributions in aid of capital            |                     | 95,552                | 66,685                  | 53,300                  | 434,567                     | 10,700                | 58,150                 | 500                         | 719,454            |                     | 719,454                |
| CIAC Amortization                          |                     | (59,182)              | (8,301)                 | (15,600)                | (169,410)                   | (1,025)               | (5,999)                | (13)                        | (259,530)          |                     | (259,530)              |
| <b>Total Long Term Liabilities</b>         | <b>144,916</b>      | <b>50,906</b>         | <b>884,935</b>          | <b>43,532</b>           | <b>718,793</b>              | <b>45,344</b>         | <b>257,103</b>         | <b>487</b>                  | <b>2,146,015</b>   |                     | <b>2,146,015</b>       |
| <b>Total Liabilities</b>                   | <b>240,813</b>      | <b>71,952</b>         | <b>948,711</b>          | <b>49,595</b>           | <b>836,682</b>              | <b>129,407</b>        | <b>275,048</b>         | <b>15,261</b>               | <b>2,567,469</b>   |                     | <b>2,316,919</b>       |
| Common Stock                               |                     | 10,000                |                         | 146,004                 |                             | 1,000                 |                        |                             | 157,004            |                     | 157,004                |
| Additional Paid-in Capital                 |                     | 89,506                |                         |                         |                             | 70,737                |                        |                             | 160,242            |                     | 160,242                |
| Partner Distributions                      |                     | (24,000)              |                         |                         |                             |                       |                        |                             | (24,000)           |                     | (24,000)               |
| Guaranteed Payments                        | (4,000)             |                       |                         |                         | (49,500)                    |                       | (10,080)               |                             | (63,580)           |                     | (63,580)               |
| Partner Capital                            | 197,722             |                       | (380,405)               |                         | (80,343)                    |                       | 21,103                 | (500)                       | (242,422)          |                     | (242,422)              |
| Retained Earnings                          |                     | 115,733               |                         | (29,283)                |                             | (84,471)              |                        |                             | 1,979              |                     | 1,979                  |
| Net Income                                 | 47,590              | 15,876                | 51,946                  | 24,405                  | 98,230                      | (10,972)              | 41,916                 | (1,216)                     | 267,774            |                     | 267,774                |
| <b>Total Owners Equity</b>                 | <b>241,312</b>      | <b>207,115</b>        | <b>(328,460)</b>        | <b>141,126</b>          | <b>(31,613)</b>             | <b>(23,707)</b>       | <b>52,939</b>          | <b>(1,716)</b>              | <b>256,997</b>     |                     | <b>256,997</b>         |
| <b>Total Liabilities and Owners Equity</b> | <b>\$482,125</b>    | <b>\$279,067</b>      | <b>\$620,251</b>        | <b>\$190,722</b>        | <b>\$805,069</b>            | <b>\$105,700</b>      | <b>\$327,987</b>       | <b>\$13,545</b>             | <b>\$2,824,466</b> | <b>\$250,550</b>    | <b>\$2,573,916</b>     |

8  
459,924  
1,686,091  
719,454  
(259,530)  
2,146,015  
2,316,919  
157,004  
160,242  
(24,000)  
(63,580)  
(242,422)  
1,979  
267,774  
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13  
2,319,872  
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**THE WATER COS.**  
Statements of Operations  
For the Period January through December 2004

|                               | (LLC) UMS | (S) H&R   | (LLC) Meadows | (S) H&R  | (LLC) Meadows | (S) Quail Run | (LLC) Tail Timber | (S) C     | (LLC) Wacowa | (LLC) Transitions | Eliminations |    | Adjusted Totals |
|-------------------------------|-----------|-----------|---------------|----------|---------------|---------------|-------------------|-----------|--------------|-------------------|--------------|----|-----------------|
|                               |           |           |               |          |               |               |                   |           |              |                   | Totals       | Cr |                 |
| Revenue - Water               | 787,414   |           |               |          |               |               |                   |           |              |                   |              |    | \$381,221       |
| Revenue - Connection Fees     |           | 155,803   | 320,665       | 88,931   | 365,296       | \$86,633      | \$126,322         | \$24,668  | \$500        | \$117             |              |    | 1,168,318       |
| Revenue - City/State Tax      |           |           |               |          | \$12,950      | \$6,000       | \$117             |           |              |                   |              |    | 21,650          |
| Revenue - Federal Inc Tax     |           | \$155,803 | \$320,665     | \$88,931 | 4,316         | 330           | 1,800             | 165       | 6,611        |                   |              |    | 6,611           |
| Cost of Goods Sold            | \$787,414 | \$155,803 | \$320,665     | \$88,931 | \$382,563     | \$89,163      | \$134,238         | \$25,333  | \$406,193    | \$0               |              |    | \$1,577,917     |
|                               | 165,049   |           |               |          |               |               |                   | 165,049   |              |                   |              |    | 165,049         |
| Gross Profit                  | \$622,365 | \$155,803 | \$320,665     | \$88,931 | \$382,563     | \$89,163      | \$134,238         | \$25,333  | \$406,193    | \$0               |              |    | \$1,412,867     |
| Operating Expenses:           |           |           |               |          |               |               |                   |           |              |                   |              |    |                 |
| Advertising/Promotion         | 2,869     |           |               |          |               |               |                   |           |              |                   |              |    | 2,869           |
| Amortization Expense          |           | (2,467)   |               |          |               |               |                   |           | (2,758)      | (13)              |              |    | (72,024)        |
| Automobile Expense            | 29,072    |           |               |          |               |               |                   |           | 500          |                   |              |    | 29,072          |
| Contributions                 |           |           |               |          |               |               |                   |           |              |                   |              |    | 500             |
| Guaranteed Payment - SLH      |           |           |               |          |               |               |                   |           |              |                   |              |    | 0               |
| Guaranteed Payment - AR       |           |           |               |          |               |               |                   |           |              |                   |              |    | 0               |
| Guaranteed Payment - NA       |           |           |               |          |               |               |                   |           |              |                   |              |    | 0               |
| Utility Expense               |           | 9,292     | 16,409        | 14,561   | 28,913        | 5,793         | 6,767             | 2,733     | 4,469        |                   |              |    | 84,467          |
| Water Testing - SDWA          | 158       | 8,367     | 4,798         | 1,329    | 14,365        | 218           | 214               | 2,563     |              |                   |              |    | 36,267          |
| Materials & Supplies          | 3,994     |           |               |          |               |               |                   |           |              |                   |              |    | 4,208           |
| Contract Services - SMA       | 7,429     | 56,340    | 95,441        | 23,640   | 158,460       | 995           | 33,648            | 12,060    | 775          |                   |              |    | 13,475          |
| Contract Services - Acctg     | 228       | 1,232     | 962           | 1,232    | 850           |               | 429               | 352       |              |                   |              |    | 1,089           |
| Contract Services - Legal     | 435       | 6,614     | 80            |          |               |               | 13,227            | 326       |              |                   |              |    | 20,602          |
| Contract Services - Other     | 2,834     | 10,541    | 9,011         | 829      | 12,637        |               | 1,988             | 6,004     |              |                   |              |    | 70,668          |
| Repairs & Maintenance         | 18,718    |           |               |          |               |               | 26,824            | 1,988     |              |                   |              |    | 24,718          |
| Rent/Lease Expense            |           | 4,472     | 8,850         | 2,178    | 8,036         | 2,376         | 1,595             | 576       |              |                   |              |    | 46,093          |
| Insurance - Liability         | 24,718    | 597       |               |          |               |               |                   |           |              |                   |              |    | 1,790           |
| Insurance - Life              | 33,061    |           |               |          |               |               |                   |           |              |                   |              |    | 33,061          |
| Insurance - Medical           | 256,370   |           |               |          |               |               |                   |           |              |                   |              |    | 290,210         |
| Salaries and Wages            | 12,045    | 17,280    | 594           | 133      | 543           | 16,560        | 79                | 200       |              |                   |              |    | 1,770           |
| Regulatory Expense            | 116       | 221       |               |          |               |               |                   |           |              |                   |              |    | 12,047          |
| Miscellaneous Expense         | 503       | 6         | 543           | 13       | 13            | 6             | 476               |           |              |                   |              |    | 1,159           |
| Bank Service Charges          | 18,116    |           | 529           | 554      | 981           | 741           |                   |           |              |                   |              |    | 728             |
| Dues & Memberships            | 28,792    |           | 82            | 92       |               |               |                   |           |              |                   |              |    | 20,921          |
| Telephone                     | 2,999     | 1,896     | 536           | 1,337    | 4,961         | 1,276         | 5,014             | 301       |              |                   |              |    | 33,980          |
| Office Expense                | 10,152    | 7,835     | 16,758        | 8,919    | 21,210        | 4,395         | 6,411             | 718       |              |                   |              |    | 19,648          |
| Postage & Delivery            | 41,753    | 2,113     |               |          |               | 2,135         |                   |           |              |                   |              |    | 76,398          |
| Business Taxes                | 101       |           |               | 639      | 796           | 548           | 114               | 352       |              |                   |              |    | 46,001          |
| Payroll Taxes & Benefits      | 224       | 818       |               |          | 704           |               |                   |           |              |                   |              |    | 2,551           |
| Real Property Taxes           | 64,289    | 10,608    | 44,185        | 11,280   | 49,250        | 9,567         | 13,667            | 71        |              |                   |              |    | 1,746           |
| Personal Property Taxes       | 1,165     | 3,199     | 2,077         | 866      | 2,125         | 184           | 1,970             | 480       |              |                   |              |    | 202,917         |
| Depreciation Expense**        | 600       |           |               |          |               |               |                   |           |              |                   |              |    | 12,056          |
| Licenses & Permits            | 5,614     |           |               |          |               |               |                   |           |              |                   |              |    | 600             |
| Travel & Entertainment        |           |           |               |          |               |               |                   |           |              |                   |              |    | 5,614           |
| Retirement                    |           |           |               |          |               |               |                   |           |              |                   |              |    |                 |
| Total Operating Expenses      | \$565,547 | \$139,064 | \$191,247     | \$63,819 | \$257,310     | \$98,047      | \$89,837          | \$26,524  | \$406,193    | \$0               |              |    | \$1,025,202     |
| Income (Loss) from Operations | 56,818    | 16,739    | 129,418       | 25,112   | 125,253       | (8,884)       | 44,401            | (1,191)   | 387,666      | (406,193)         |              |    | 387,666         |
| Other Income (Expense):       |           |           |               |          |               |               |                   |           |              |                   |              |    |                 |
| Interest Income               |           |           |               |          |               |               |                   |           |              |                   |              |    | 177             |
| Interest Expense              | (10,941)  | (863)     |               | (378)    | (27,023)      | (2,089)       | (2,501)           | (25)      |              |                   |              |    | (123,918)       |
| Prior Years Expense           |           |           |               |          |               |               |                   |           |              |                   |              |    | 0               |
| Other, net                    | 1,713     |           |               | (328)    | 0             |               | 15                |           |              |                   |              |    | 3,850           |
| Total Other Inc (Exp)         | (\$9,228) | (\$863)   | (\$71,472)    | (\$706)  | (\$27,023)    | (\$2,089)     | (\$2,486)         | (\$25)    | (\$119,891)  | \$0               |              |    | \$0             |
| Income before Income Taxes    | \$47,590  | \$15,876  | \$51,946      | \$24,405 | \$98,230      | (\$10,972)    | \$41,916          | (\$1,216) | \$267,774    | (\$406,193)       |              |    | \$267,774       |

4.95

27.5%

**AGREEMENT TO PURCHASE**

**WATER SYSTEMS**

**THIS AGREEMENT** is entered into this 17<sup>th</sup> day of June, 2005, by and between **H & R WATERWORKS INCORPORATED**, a Washington corporation ("Purchaser"), **MARELLA AND DONALD BARTON**, husband and wife, **CRAIG HOGUE**, a single man, and **TRIDENT UTILITIES, LLC**, a Washington limited liability company (collectively, the "Sellers").

**RECITALS**

1. Sellers are the owners of water systems in Thurston and Mason Counties, Washington, as set out on Exhibit A, which is incorporated herein by this reference ("Water Systems").
2. Sellers desire to sell said Water Systems.
3. Purchaser is a regulated public service company which owns and operates regulated water systems in the State of Washington.
4. Purchaser desires to purchase the Water Systems on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

**AGREEMENT**

1. Offer. Sellers agree to sell and Purchaser agrees to purchase the Water Systems as described on Exhibit A attached hereto and incorporated herein by this reference.
2. Consideration. The consideration for the purchase of the Water Systems is the amount of SIX THOUSAND DOLLARS (\$6,000.00), which will be paid to Sellers upon Closing, as defined below.

3. Assets Transferred.

a. The Water Systems consist of the assets as depicted on Exhibit A, and only such assets, which include, but are not limited to, water rights, water lines, mains, tanks, valves, pumps, wells, easements, appurtenances and tank and well sites which are now used to serve the Water System.

b. Title to the assets shall be by Bill of Sale as set out on Exhibit B, except that title to easements and water rights shall be in the form of Assignment as set out on Exhibit C and title to real property shall be by Statutory Warranty Deed in the form set out as Exhibit D.

4. Contingencies to Closing. This Agreement and the transfer of the Water System are subject to the following:

- (i) Approval of the transfer of the Water Systems by the Washington State Department of Health; and
- (ii) Approval of the transfer of the Water Systems by the Washington Utilities and Transportation Commission. Sellers and Purchaser shall work diligently to obtain approval by June 15, 2005; provided, that, if such approval is not obtained by that date, the parties will continue to work to obtain approval on a diligent basis.

5. Closing. This Agreement shall close within ten (10) working days of the satisfaction of contingencies ("Closing"). If the contingencies are not satisfied on or before August 1, 2005, this Agreement shall lapse; provided, however, that the parties hereto may extend the closing date by execution of a rider to this Agreement.

6. Title Insurance. Purchaser shall be responsible for and pay the entire costs of any title insurance policy naming Purchaser as Insured.

7. Deposits with Closing Agent/Payment of Closing Costs. At or prior to the date of Closing, each party shall deposit with the closing agent (who shall be agreed to by both parties) all instruments and monies necessary to complete this transaction in accordance with the terms of this Agreement. Sellers and Purchaser shall each pay one-

half of the closing agent's fees. Sellers shall pay the real estate excise tax, if any, and conveyance taxes associated with this transaction. Purchaser shall pay any sales or use tax due. Purchaser shall pay fees for recording the Assignment.

8. Prorations. Real property taxes shall be prorated through date of Closing. Sellers represent and warrant that there are no ongoing association or homeowner's fees or charges.

9. Accounts Receivables. Sellers have disclosed that they are obligated in an amount of approximately THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00) in back taxes, interest and penalties. Purchaser shall collect amounts for services rendered prior to Closing on behalf of Sellers. The amount so collected shall be applied by Purchaser to said back taxes, interest and penalties. Purchaser shall hold said monies, and when the sufficient amount has been collected to make an appreciable payment on said back taxes, interest and penalties, Purchaser shall notify Sellers and Sellers shall sign the appropriate documents to transmit the amounts collected to the appropriate tax authorities. Any accounts receivables that are not collected within sixty (60) days after Closing, shall be written off. Sellers shall be solely obligated for and shall pay any amount for the back taxes, interest and penalties that remain above and beyond the accounts receivable collected and applied to said back taxes, interest and penalties.

10. Condition of Property. Purchaser acknowledges it has inspected the property to its complete satisfaction and accepts the property AS IS, WHERE IS. Sellers are not making any representation as to the presence or absence of hazardous wastes or substances in any of the the Water Systems, nor is Purchaser indemnifying or releasing Sellers from any responsibility for any such hazardous waste or substance. If any claim is made by any person, entity or governmental agency related to the presence of a hazardous waste or substance, each party shall be responsible as its interests may appear under federal, state, or local law, ordinance or regulation, provided nothing in the foregoing shall constitute a waiver of any defense, claim or claim for contribution.

11. Possession. Purchaser shall be entitled to possession at Closing.



12. Warranties of Sellers. Sellers warrant and represent that they have full right, authority and title to convey the Water Systems and such conveyance will not be in violation of any agreement of Sellers or of third parties. These warranties shall survive closing.

13. Warranties and Representations of Purchaser. Purchaser warrants and represents that it is a corporation authorized to do business in the State of Washington and that the purchase of the Water Systems has been approved by an appropriate resolution. These warranties survive closing.

14. Notice. Any notice related to, required or authorized under the terms of this Agreement shall be given to Sellers or to Purchaser at the address indicated below the signature of Sellers or Purchaser, respectively. Delivery shall be deemed to have occurred upon delivery to Sellers or Purchaser in person or date of postmark when mailing notice to Sellers or Purchaser at the address indicated herein.

15. Remedies/Attorney Fees. If either party fails or refuses to close this transaction on the date specified, the other party shall have right to specifically enforce this Agreement, or, at their election, to seek damages for the breach of this Agreement. In any action brought to enforce this Agreement or for damages resulting from a breach thereof, the prevailing party shall be entitled to their reasonable attorneys' fees.

16. Broker's Agreement. Each party represents to the other party that it has not engaged any agent or broker in connection with this transaction, and shall indemnify and hold harmless the other against any claims arising out of a breach of this representation.

17. Casualty/Loss. If, prior to closing, the property or improvements on the property are destroyed or materially damaged by fire or other casualty, Purchaser may elect to terminate this Agreement.

18. Actions Prior to Closing. Sellers shall provide Purchaser with a customer list and cooperate with Purchaser in informing current Sellers' customers of the proposed transfer.

19. Books and Records. At or prior to Closing, Sellers shall deliver to Purchaser all maps, customer billing information and other books and records related to the operation of the Water System.

20. Professional Advice. Purchaser and Sellers each acknowledge that it may be advisable to have the terms and conditions of this Agreement reviewed by independent legal counsel, and acknowledge that each has been afforded the opportunity to do so prior to executing this Agreement.

21. No Other Agreements. There are no verbal or other agreements which modify or affect this Agreement. Any and all future changes to this Agreement must be made in writing, signed by Purchaser and Sellers. **TIME IS OF THE ESSENCE OF THIS AGREEMENT.**

22. Venue/Applicable Law. This Agreement shall be interpreted and construed according to the laws of the State of Washington; venue shall be in Thurston County, Washington.

23. Survival. Any terms, which by their nature should survive the closing of the sale, shall survive the closing of the sale. These terms shall include, but not be limited to, representations and warranties, attorneys' fees and costs and disclaimers, etc.

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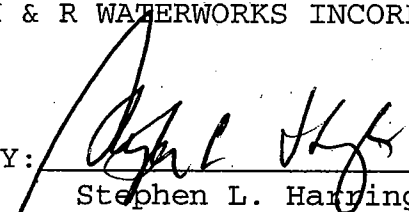
24. Severability. In the event any position of this Agreement is found unenforceable by a court of law, all other provisions of this agreement shall remain in full force and effect.

This Agreement is entered into the date set forth above.

**PURCHASER:**

H & R WATERWORKS INCORPORATED

BY:

  
Stephen L. Harrington  
Its: President

ADDRESS:

PO Box 542  
East Olympia, WA 98540

**SELLERS:**

  
MARELLA BARTON

  
DONALD BARTON

ADDRESS:

PO Box 153  
Rochester, WA 98579

\_\_\_\_\_  
CRAIG HOGUE

ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_

TRIDENT UTILITIES, LLC  
(an administratively dissolved  
limited liability company)

By:   
Marella Barton

By:   
Donald Barton

Its: Members

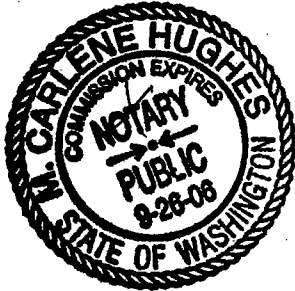
ADDRESS:

PO Box 153  
Rochester, WA 98579

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this day personally appeared before me Stephen L. Harrington, to me known to be the President of H & R Waterworks, Incorporated, the corporation described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of said corporation.

GIVEN under my hand and official seal this 20th day of June, 2005.

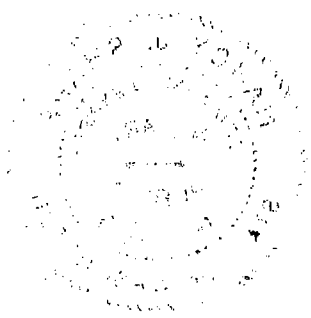


*M. Carlene Hughes*

M. CARLENE HUGHES

[printed name of notary]  
NOTARY PUBLIC in and for the  
State of Washington, residing  
at Olympia

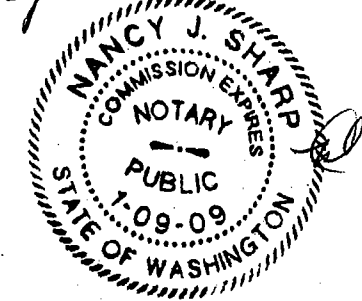
My Commission Expires: 9-26-06



STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marella Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that she executed the same in her authorized capacity for the purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17 day of June, 2005.



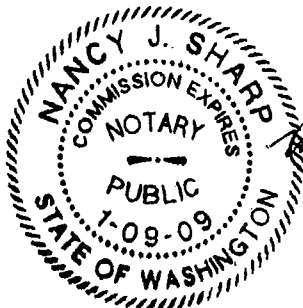
Nancy Sharp  
Nancy Sharp  
[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Donald Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that he executed the same in his authorized capacity for the purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



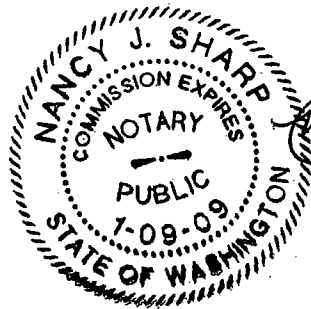
Nancy Sharp  
Nancy Sharp  
[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09

STATE OF WASHINGTON )  
 ) ss.  
 County of Thurston )

On this day personally appeared before me Marella Barton and Donald Barton, to me known to be the Members of Trident Utilities, LLC, the limited liability company described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



Nancy Sharp  
Nancy Sharp

[printed name of notary]  
 NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
 My Commission Expires 01-09-09

I, Greg Hogue (member), released all interest in Trident Utilities, LLC to Donald J Barton (member) as of January 1, 2004. I will not be responsible for any further debts incurred by Trident Utilities, LLC.

*Gregory B. Hogue*  
*6/15/08*

EXHIBIT A

WATER SYSTEMS

Thurston County

|                        |                |
|------------------------|----------------|
| Meadowood              | 63131T         |
| Guava A & B            | 029980, 029998 |
| Sterling Estates A & B | AA062G, AA061K |
| Deschutes Village      | 190035Y        |
| Whitney (Thunberg)     | 108014         |
| Empire                 | 00926R         |

Mason County

|             |        |
|-------------|--------|
| Prairiewood | 008022 |
|-------------|--------|

Together with all wells, mains, distribution lines, valves, pumps, storage reservoirs, tanks, and all appurtenances thereto, together with all personal property used for said Water Systems, and all fixtures, records, maps, customer lists, water rights, easements, well sites and other tangible and intangible property used in the operation of the Water Systems listed above.



**EXHIBIT B**

**BILL OF SALE**

For and in consideration of the sum of Six Thousand Dollars (\$6,000.00) and other good sufficient consideration, receipt whereof hereby acknowledged, the undersigned grantors Marella and Donald Barton, Craig Hogue and Trident Utilities, LLC, do by these presents hereby convey, set over, assign, transfer and sell to H & R Waterworks Incorporated, a corporation, the following described assets, which include, but are not limited to, wells, mains, distribution lines, valves, pumps, storage reservoirs, tanks, and all appurtenances thereto, together with all personal property used for said Water Systems, and all fixtures, records, maps, customer lists and other tangible and intangible property, situated in Thurston and Mason Counties, Washington:

The said grantors hereby certify that they are sole owners of all of the property above described, that they have full power to convey the same and that they will defend the said title of said H & R Waterworks Incorporated against any and all persons lawfully making claim thereto.

Dated this 17<sup>th</sup> day of June, 2005.

Marella Barton  
MARELLA BARTON

Donald Barton  
DONALD BARTON

\_\_\_\_\_  
CRAIG HOGUE

TRIDENT UTILITIES, LLC

By: Marella Barton  
Marella Barton

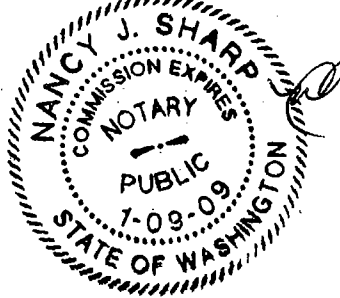
By: Donald Barton  
Donald Barton

Its: Members

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marella Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that she executed the same in her authorized capacity for the purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



Nancy Sharp  
Nancy Sharp

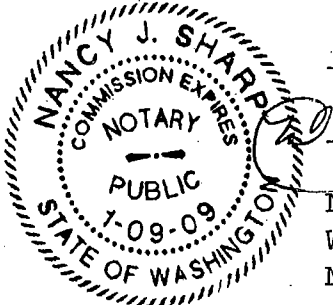
[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Donald Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that he executed the same in his authorized capacity for the purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



Nancy Sharp  
Nancy Sharp

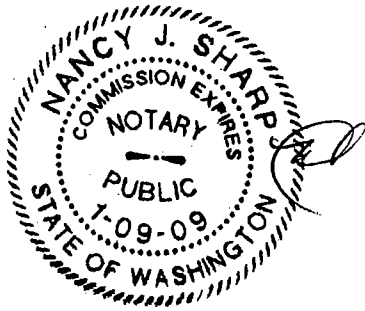
[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this day personally appeared before me Marella Barton and Donald Barton to me known to be the Members of Trident Utilities, LLC, the limited liability company described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



Nancy Sharp  
Nancy Sharp  
[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Thurston County My Commission Expires 10/29/09

After recording, return to:  
Richard A. Finnigan  
2112 Black Lake Blvd SW  
Olympia, WA 98512

**EXHIBIT C**

**ASSIGNMENT OF EASEMENTS AND WATER RIGHTS**

THIS AGREEMENT, dated June 12, 2005, is entered into by and between **H & R WATERWORKS, INCORPORATED**, a Washington corporation ("Purchaser"), **MARELLA AND DONALD BARTON**, husband and wife, **CRAIG HOGUE**, a single man, and **TRIDENT UTILITIES, LLC**, a Washington limited liability company ("Sellers").

WHEREAS, the Sellers and Purchaser have entered into an Agreement entitled Agreement to Purchase Water Systems (the "Agreement"), wherein Purchaser is acquiring the assets of Sellers located in Thurston and Mason Counties, Washington, and

WHEREAS, the Sellers in that Agreement have agreed to assign all of their rights, title and interest in, to and under any existing easements, and water rights,

NOW, THEREFORE, the parties agree as follows:

1. Assignment and Assumption of Sellers' Interest.  
Sellers hereby assign to Purchaser all of their rights, title and interest in, to and under the easements used in connection with the water systems identified on Exhibit 1 (the "Easements"), and the water rights identified on Exhibit 2 (the "Water Rights"), together with all of Sellers' right, title and interest in the fixtures located thereon. Subject to the terms and conditions set forth herein, Purchaser hereby accepts said assignment and agreed to assume all of Sellers' rights, duties and obligations under the Easements arising from and after closing of the Agreement.

2. Sellers' Warranties and Representations. Sellers hereby warrant and represent to Purchaser that; (a) Sellers are the sole owners of the easement holder's interest under the Easements and the water rights holder's interest under the Water Rights; and (b) that the same have not been otherwise assigned, sublet or otherwise transferred or encumbered.

3. Third Party. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Assignment on any persons or entities other than the parties hereto and their respective successors. Nothing in this Assignment, whether expressed or implied, is intended to relieve or discharge the obligation or liability of any third party to any party to this Assignment. No provision of this Assignment shall give any third party any right of subrogation or action over or against any party to this Assignment.

4. Attorneys' Fees and Costs. In the event of any conflict, claim or dispute between the parties hereto arising out of or relating to the subject matter of this Assignment, whether or not such conflict, claim or dispute has its basis in law or in equity, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable costs and expenses of every sort whatsoever including, but not limited to, arbitrator's fees, mediation fees, deposition costs, expert witness fees, accounting expenses and actual attorneys' fees incurred or expended, whether or not arbitration or court proceedings are initiated, and including all such costs or expenses incurred or expended in arbitration, in trial, on appeal, or in any bankruptcy or receivership proceeding.

5. Further Assurances. Each party hereto will execute and deliver such further instruments and take such further action as may be required to carry out the intent and purpose of this Assignment.

6. Successors in Interest. This Assignment shall be binding upon, inure to the benefit of, and be enforceable by and against the respective heirs, executors, administrators, personal representatives and successors of the parties hereto.

7. Waiver. No waiver of any provision of this Assignment shall be deemed to be a waiver of any other provision hereof, nor shall such waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8. Incorporation by Reference. The exhibits attached hereto are incorporated herein by this reference as though set forth in full.

**PURCHASER:**

H & R WATERWORKS INCORPORATED

BY: 

Stephen L. Harrington

Its: President

ADDRESS:

PO Box 542

East Olympia, WA 98540

**SELLERS:**

  
MARELLA BARTON

  
DONALD BARTON

ADDRESS:

PO Box 153

Rochester, WA 98579

\_\_\_\_\_  
CRAIG HOGUE

ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_

TRIDENT UTILITIES, LLC

By:   
Marella Barton

By:   
Donald Barton

Its: Members

ADDRESS:

PO Box 153

Rochester, WA 98579

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this day personally appeared before me Stephen L. Harrington, to me known to be the President of H & R Waterworks Incorporated, the corporation described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of said corporation.

GIVEN under my hand and official seal this 20th day of June, 2005.

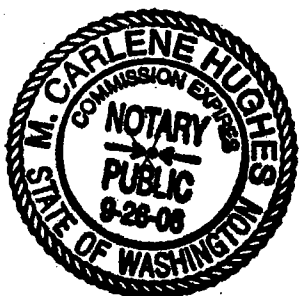
*M. Carlene Hughes*

M. CARLENE HUGHES

[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Olympia

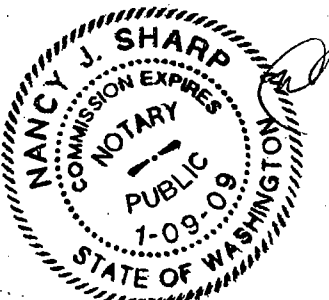
My Commission Expires: 9-26-06



STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marella Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that she executed the same in her authorized capacity for the purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



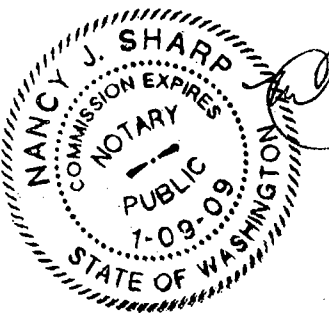
Nancy Sharp  
Nancy Sharp

[printed name of notary]  
NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Donald Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that he executed the same in his authorized capacity for the purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



Nancy Sharp  
Nancy Sharp

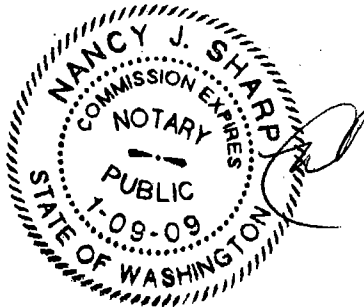
[printed name of notary]  
NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09



STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this day personally appeared before me Marella Barton and Donald Barton, to me known to be the Members of Trident Utilities, LLC, the limited liability company described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



Nancy Sharp  
Nancy Sharp  
[printed name of notary]  
NOTARY PUBLIC in and for the  
State of Washington, residing  
at Thurston County  
My Commission Expires: 01-09-09

EXHIBIT 1

EASEMENTS

Meadowood Water System - As recorded on LL-310 Vol 3 Page 223 Thurston County in AFN 8802030111 and in Vol 3 Page 196 in AFN 8712160114.

Whitney (Thunberg) Water System- All easements recorded for utilities in conjunction with SP 0751, Thurston County.

Guava B Water System - Easements for well access and all water lines recorded on Lots 1-3 SS 2605; Lots 1-3 SS 2610; records of Thurston County Tax Parcel #'s 314200303, 314200308, 314200309, 314200304, 314200310, and 314200311.

Guava A Water System - Easements for well access and all water lines recorded on Lots 1-4 SS 2607; Lots 2 & 3 SS 2902; Lots 1 & 2 SS 2909

Sterling Estates East Water System - Easements as recorded on Plat 593 Thurston County, Lots 1-5 System located on Parcel # 3600 000 400

Sterling Estates West Water System - Easements as recorded on Plat # 593, Lots 1-6 located in Parcel # 367 00000 400.

Empire Water System - Easements as recorded on SS-2656, Thurston County in AFN# 9411180066.

Deschutes Village Water System - All easements of record in the Plat of Deschutes Village Division 2, Thurston County.

Prairiewood Water system - All easements for the operation of the water system and for the water pipelines, specifically including but not limited to the easement provided for in instrument recorded under Mason County AFN-375062, instrument recorded under Mason County AFN- 376697, instrument recorded under Mason County AFN- 372726, and Short Plat filed under Mason County AFN-375062.

In addition, all other easements of record which may recorded in Thurston and Mason counties as they may benefit the water systems identified herein.

EXHIBIT 2

WATER RIGHTS

Certificates of water rights G2-28245 P, G2-25197 P, G2-27269 C  
and G2-24457 P.

AFTER RECORDING, MAIL TO:

Richard A. Finnigan, Attorney at Law  
2112 Black Lake Blvd SW  
Olympia, WA 98512

**EXHIBIT D**

**STATUTORY WARRANTY DEED**

THE GRANTOR, **MARELLA AND DONALD BARTON**, husband and wife, **CRAIG HOGUE**, a single man, and **TRIDENT UTILITIES, LLC**, a Washington limited liability company, for and in consideration of Six Thousand Dollars (\$6,000.00) in hand paid, conveys and warrants to **H & R WATERWORKS INCORPORATED**, a Washington corporation, the certain property legally described as follows:

- 1) **PARCEL B OF SHORT SUBDIVISION NO. SS-1602, AS RECORDED JUNE 17, 1982 IN VOLUME 1 OF SHORT SUBDIVISIONS, PAGES 212 THROUGH 220 INCLUSIVE, UNDER RECORDING NO. 8206170039; EXCEPTING THEREFROM THAT PORTION AS CONVEYED TO THURSTON COUNTY FOR ROAD PURPOSES BY INSTRUMENT RECORDED OCTOBER 5, 1987 UNDER RECORDING NO. 8710050076;**
- 2) **TRACT C OF DESCHUTES VILLAGE ACCORDING TO THE PLAT THEREOF OF RECORD IN THE OFFICE OF THE AUDITOR OF THURSTON COUNTY UNDER RECORDING NO. 9105150141.**
- 3) **DESCHUTES VILLAGE #2 TRACTS A & B RAINIER.**

Dated this 17 day of May, 2005.

Marella Barton  
MARELLA BARTON

Donald Barton  
DONALD BARTON

\_\_\_\_\_  
CRAIG HOGUE

TRIDENT UTILITIES, LLC

By: Marella Barton  
Marella Barton

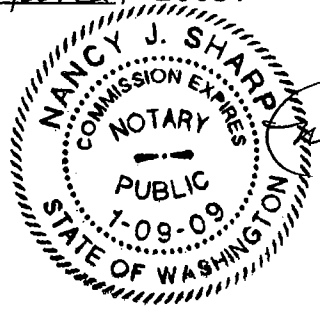
By: Donald Barton  
Donald Barton

Its: Members

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Marella Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that she executed the same in her authorized capacity for the purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



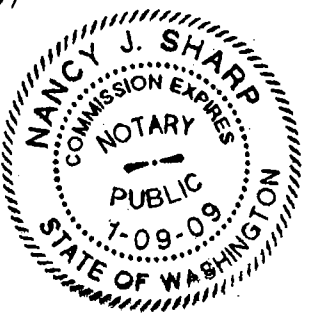
Nancy Sharp  
Nancy Sharp  
[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this 17<sup>th</sup> day of June, 2005, before me, the undersigned, Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Donald Barton to me known to be the person that executed the foregoing instrument, and acknowledged to me that he executed the same in his authorized capacity for the purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



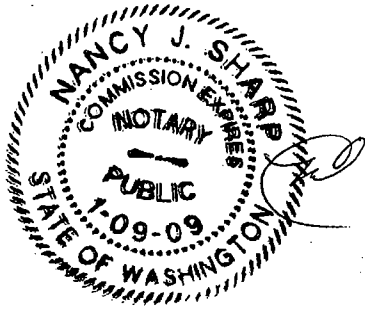
Nancy Sharp  
Nancy Sharp  
[printed name of notary]

NOTARY PUBLIC in and for the State of Washington, residing at Thurston County  
My Commission Expires: 01-09-09

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

On this day personally appeared before me Marella Barton and Donald Barton, to me known to be the Members of Trident Utilities, LLC, the limited liability company described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 17<sup>th</sup> day of June, 2005.



Nancy Sharp  
Nancy Sharp

[printed name of notary]  
NOTARY PUBLIC in and for the  
State of Washington, residing  
at Thurston County  
My Commission Expires: 07-09-09